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the legislation of February 25, 1862, *i. e.*, between paper and coin; the act of 1878 recognizes the same right as to the two kinds of coin, gold and silver.

S. P. BRECKINRIDGE.

THE UNIVERSITY OF CHICAGO.

THE LATER RAILWAY COMBINATIONS.

THE open concentration of railway control in the union of the New York Central, Lake Shore and Boston and Albany in the east, the Union Pacific, and Southern Pacific, and the Northern Pacific, Great Northern and Burlington in the west, and the less apparent but not less effective centralization by common ownership of independent systems, is making a radical change in transportation conditions which a few years ago would not have passed with the slight attention it is now receiving.

The consolidation movement in other industries contains elements of strikingly novel interest, which for the time being have so absorbed attention as to leave the railway combinations comparatively little notice. It is, however, as true now as it ever has been, that railway control and management is of fundamental and paramount importance to our industrial and commercial interests. Present prosperity with its higher prices and wider margin of profits may cause shippers to pay increased freight charges with little grumbling, but will the rates be lowered when less favorable conditions and lower prices compel the shipper to consider expenses more carefully than he is now doing?

In the past competition for a declining volume of traffic has compelled rival railway managers to lower rates during periods of depression, sometimes with disastrous results to the roads. These lower rates forced improvements and economies which enabled the roads to make a profit, even at the reduced rates, and the trend of rates has been steadily downward during the past three decades. Increased price of materials and higher wages are given as the excuse for the advance in rates, which has been made during the past two years. But the surplus of net earnings and the ability to pay dividends on stock which represents no investment of capital, indicates that power which restriction of competition gave, rather than the necessity of meeting higher expenses, led to the advance in rates. It is true that the increase in railway rates has been less than the addition to the price of tin plate, steel rails and other monopolized products, but this merely indicates

more moderation in the use of the power which railway combination confers.

The community of interests may be directly charged with the orgy of speculation through which we have just passed. The better dividends which the advance in rates made possible naturally tended to increase the price of stocks. The purchase of securities for the purpose of securing unity of action tended in the same direction, and the speculation as to the outcome of these great combinations tended to stimulate the powerful gaming instinct which is so widespread and needs little to rouse it to activity.

If rates had been maintained at a level which would give only normal returns on the capital actually invested in railways, and if the heavy capitalists had not been buying for control, does any one imagine that stocks which represent no investment would have sold at par or above?

In 1870, 1880 and 1886 conditions somewhat similar to those of the past two years led to railway building on an extensive scale. Competitors sought to share the profits which were being realized or which seemed to be in sight. Combination now seems able to prevent the waste which paralleling and undue extension then caused and a share of the profits has been sought by purchasing, at high prices, the securities of existing roads.

In the years following the panics of 1873 and 1893, when low prices, lack of employment and other conditions accompanying periods of depression caused serious agitation against the railways, the anti-monopoly feeling was materially mitigated by the fact that competition between rival lines had so reduced rates as to involve many roads in bankruptcy. It was evident that monopoly was by no means complete, that rates were as low as any reasonable man could ask and the appeals of demagogues were rejected by intelligent and reasonable voters.

The optimist of course hopes that the dark years of depression will not recur. The ardent advocate of combinations also maintains that the powerful men in control of our railways and other industries will be able to prevent panics and depression. But let us consider for a moment the probable action of the managers of our combined railway system in case a period of depression should occur. Assuming a reasonably complete union of interests, rates will probably not be lowered except, perhaps, on the products of the industrial combinations which the railway capitalists also control. This may be expected to aggravate the feeling against monopolies, and the populist hostility will not be

tempered by lower rates and by the financial difficulties of the railways unless this danger is avoided — unless the increased power which combination gives is used with the greatest wisdom and rarest moderation, unless those in control of the railways, and the great industrial combinations are gifted with the keenest insight, so that they find their own interest in using their enormous power under a full sense of the responsibility that it involves, they will raise a storm of discontent and antagonism which will end in transferring their power to political leaders who will probably use it more arbitrarily and certainly less intelligently.

LEVASSEUR ON HAND AND MACHINE LABOR.

RECENTLY, before the Société Industrielle de l'Est, at Nancy, Professor Levasseur has summed up his views on the influence of machinery upon the welfare of the wage-earners. The address has an added interest to American readers in that its data are, in good part, of American origin, being based on Commissioner Wright's report on *Hand and Machine Labor*. They include also a considerable amount of fresh material.

As to the relative healthfulness of work-places since machine-labor became prevalent, "The Encyclopedia" gives an account of eighteenth-century factories, "from which," says M. Levasseur,

We have reason for thinking that hygienic conditions are much better observed now than formerly and that we concern ourselves with hygiene to a degree beyond even the imagination of our grandfathers. The Universal Exposition of 1900 presented a similar comparison of mines in antiquity (not so very different, as to the point under discussion, from those of the sixteenth century) with the mine of today.

I have often cited in this connection two monuments of stone: a bas-relief (in the British Museum and also in the Louvre) representing the transportation of an obelisk or colossal statue by Assyrians or Egyptians, and, in the other case, a portrayal of the erection of the Luxor obelisk in the *Place de la Concorde*, which is engraved on its pedestal. In the later case were only capstans, cords, a problem in mechanics; the effort was in the head of the engineer much more than in the arms of the sailors who held the tackling. That was in 1836; today there would be no sailors at the cables; steam or electricity would do all the work. At the time of the Assyrians, hundreds of men clung to cords which they tugged laboriously, while others were busied in pushing the obelisk and placing the rollers upon which the mass was made to slide forward. . . . Will anyone say that the work of carrying loads is more imbruting today than formerly?